



PRESS RELEASE

QBE INSURANCE PURCHASES CARLIFE GROUP - THE CENTRAL EUROPEAN MARKET LEADER IN MOTOR GAP AND WARRANTY INSURANCE

LONDON, 18 FEBRUARY 2009

As previously announced to the Australian Stock Exchange on 26 November 2008, QBE Group, one of the top 25 insurers and reinsurers worldwide, has recently completed the purchase of Carlife Group (Carlife), in a deal which makes it one of the leading providers of motor GAP and warranty insurance in Central Europe.

Over the last ten years, Carlife has established a partner network in the Czech Republic, Slovakia, Hungary and Poland, providing dealer and leasing companies with innovative insurance solutions and producing in excess of 50,000 insurance contracts a year.

Building on QBE's existing significant share of the gap and warranty market in Eastern Europe, the acquisition and integration of Carlife will broaden QBE's access to the Eastern European motor dealer network, further strengthening the market position of QBE's branches in Slovakia, Hungary and the Czech Republic.

Shaqeel Hussain, Manager of Product Protection, QBE European Operations, commented: *"QBE and Carlife have been working together since 2002. The logical next step was to combine Carlife's experience, market distribution and established brand names - such as EuroGAP[®], LeaseGAP[®] and AutoCheck[®] - with QBE's exceptional IT platform, training and dealer development processes. Integrating the two businesses will create an excellent platform for sales growth while reducing overall administration costs, so developing an even more competitive offering for our customers."*



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Graeme Rayner, Managing Director of Specialty added: *“We are delighted to have completed this acquisition as it represents an important step for our warranty and gap business. It reinforces Specialty division’s commitment to developing the affinity market in Europe, an insurance sector we are looking to broaden into. The acquisition brings distribution capability and secures € 12m in premiums.”*

Within the next 12 months, Carlife will be rebranded to QBE name. The product brands *EuroGAP[®]*, *LeaseGAP[®]* and *AutoCheck[®]* will be retained.

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Notes to editors

ABOUT GAP INSURANCE

GAP insurance is a product designed to pay an indemnity to the insured following the total loss of a motor vehicle following accidental damage, fire or theft. The indemnity paid depends upon the type of GAP insurance product. For financial shortfall GAP the indemnity is the amount by which the finance agreement early settlement amount exceeds the motor insurance company settlement. For Return to Invoice GAP the indemnity is the amount by which the original vehicle invoice amount exceeds the motor insurance company settlement.

With new vehicles depreciating by approximately 50% in the first 3 years, GAP insurance protects the motorist from negative equity which may arise following their vehicle becoming a total loss



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ABOUT QBE

QBE Globally

QBE Insurance Group is Standard & Poor's 'A+' rated and is one of the world's leading international insurers and reinsurers, headquartered in Sydney, Australia. We operate out of 45 countries across the globe, with a presence in all key insurance markets and are lead underwriters within our chosen markets, setting rates and conditions. For the year ended 31 December 2007, the company underwrote gross written premium totaling £5,188 million and held shareholders' funds of £3,746 million.

QBE in Europe

QBE's European Operations, which accounts for almost 40% of QBE Group turnover, is a leading specialist in London market and European commercial lines business. Active in both the Lloyd's and company market, QBE offers considerable diversity to the broking community. Structured around eight product-focused underwriting divisions - casualty, QBE Re Europe, property, motor, marine & energy, specialty, aviation - all of our operations have the ability to write on both Lloyd's and company market paper. The group also includes P&I specialist, British Marine. In addition to the London Market, QBE operates from seven UK-regional centres and has a presence in 15 European countries.

For more information please refer to www.qbe.com, www.qbeurope.com

ABOUT CARLIFE

Established in the Czech Republic in 1999, Carlife is the largest Independent Central European Insurance Administrator with annual premium revenues in excess of €12m. It has subsidiaries in UK, Slovakia, Poland, Romania and Hungary. It developed and launched its successful EuroGAP[®] product in 2002 and proceeded to roll it out across Central Europe over the following six year period. It then launched *AutoCheck*[®] in 2007 followed by *LeaseGAP*[®] in 2008.

For more information please refer to www.carlife.cz